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DIRECTORATE OF  
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# *Central Intelligence Bulletin*

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ITALY: The two-year-old struggle for leadership in the Italian Communist Party (PCI) is still unresolved.

Shifts in leadership, announced in the party newspaper on 21 October, suggest that neither vice secretary Enrico Berlinguer nor his principal rival Giorgio Amendola has yet secured the right of succession to ailing secretary general Luigi Longo. An ally of Amendola was appointed to head a newly created commission for international policy while Berlinguer was made merely an ordinary member. An associate of Berlinguer, however, gained a seat on the seven-man secretariat, one of the PCI's two key directing groups.

Amendola has adopted a relatively pro-Soviet stance while Berlinguer has stressed opposition to Soviet dominance of Communist parties outside the Soviet Union. The new secretariat member has been among the most anti-Soviet of the PCI leadership since the Soviet intervention in Czechoslovakia in 1968.

Amendola recently restated his position that the party is ready for participation in the government. Rival PCI leaders have opposed pressing this issue directly, preferring to emphasize the growing respectability of the party in a constructive opposition role.

In two articles in the party daily in August 1969, Amendola had asserted Communist readiness for government participation. Amendola reportedly then was seeking to appeal to the younger members who were impatient with the apparent immobility of the party. At that time, as at present, the PCI was wrestling with both the leadership issue and the extreme left dissident Communists associated with the monthly Il Manifesto. [redacted]

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UN: Prospects seem dim for progress toward new UN peacekeeping procedures during the current General Assembly.

Soviet officials at the UN have told the US that the USSR is not likely to respond to the recent US proposals on peacekeeping machinery before the Assembly session ends in December. In fact, the officials claimed the US initiative has not even been presented at high levels in Moscow and will not be until after the session is over.

On the substance of the US position, the Soviet officials reiterated that the US would have to move closer to the USSR's view that the permanent members of the Security Council must exercise full control over peacekeeping operations. The US believes that the secretary general should retain some latitude for action in the event that the Security Council--having authorized a mission--becomes deadlocked over operational matters.

The stalemate will probably cause other delegations, such as Canada or Denmark, to propose resolutions of their own. Ottawa has already drafted a resolution that would have the Assembly call on the Security Council to request the secretary general to obtain advance information from UN members on their ability to participate in peacekeeping missions. The Soviet delegation has asked the US not to support such measures, preferring instead to handle the peacekeeping issue bilaterally with the US. [redacted]

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IRAQ: The recent concessions made by the Iraq Petroleum Company (IPC) offer some relief for the government's serious financial problems.

The IPC granted an interest-free loan of \$48 million immediately and agreed to an increase of 20 cents per barrel in the posted price of oil exported via pipeline to Mediterranean ports. IPC also agreed to expand the output of oil delivered directly to the Mediterranean as well as the output of the southern oil fields.

The loan comes at a time when Iraq's foreign exchange holdings have declined to the lowest level since immediately after the June 1967 war and the Soviet Union is pressing for loan repayments. With the promised increase in posted price and output, Iraq's revenues will be increased by roughly \$150 million annually. Repayment of the \$48-million loan will be made from increased oil revenues in eight quarterly installments beginning in mid-1971. [redacted]

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INDIA: Industrial production continues to lag, principally because of the failure of the private sector to expand.

The quasi-official Indian National Council of Applied Economic Research concluded in a recent appraisal that industrial production would increase only six percent in 1970. This is less than the 6.8 percent achieved in 1969 and considerably below the eight- to nine-percent rate envisioned in the fourth five-year plan (1969-73). The council attributes the slowdown to a number of factors including supply bottlenecks brought on principally by inflexible import policies, restrictions on expanding large private industrial enterprises, and slackening government expenditures.

The Indian Planning Commission recently proposed relaxing restrictions against the largest private industrial firms to "pep up" the country's slow industrial growth. The private sector still accounts for more than four fifths of India's industrial production. It is not clear whether the government will follow the advice of the commission. Much will depend on Mrs. Gandhi's assessment of which has the greater political benefit--more or less government control.

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NOTE

VENEZUELA: Leftists at Caracas Central University have reacted to the government's occupation of the campus by calling for a nationwide student strike. The government move yesterday underscored its determination to enforce the university reform law passed in September. The action was taken because the rector refused to vacate his office after resigning late Friday night. The government had been pressuring him to resign because of his obstructive tactics in opposing the reform law and because of his advocacy of student violence. At the time of his resignation, the rector urged the students to resist the appointment of a successor. The military can contain any violence which may erupt.

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